P2250.02 ACCOUNTING - RECORDING OBLIGATIONS

Program Statement

OPI: ADM/FIN
NUMBER: 2250.02
DATE: 4/2/2004
SUBJECT: Accounting - Recording Obligations

1. **PURPOSE AND SCOPE.** This Program Statement (PS) establishes the policies and procedures for recording obligations and complying with the Statement of Federal Financial Accounting Standards (SFFAS) No. 1, Accounting for Selected Assets and Liabilities, and SFFAS No. 5, Accounting for Liabilities of the Federal Government.

In accordance with SFFAS Nos. 1 and 5, the accrual basis of accounting provides that accounts payable be recognized when the Bureau receives goods or services. Goods or services that are not received and accepted are considered undelivered orders.

This PS establishes the requirements for quarterly obligation reviews by the Cost Center Managers (CCMs) and the Office of Financial Management (OFM).

In addition, it requires each OFM to review during September, prior to year-end, all open obligations to ensure that proper accrual accounting has been followed and the obligations are recorded properly as undelivered orders or accounts payable and the estimated obligation amounts are accurate.

Each Warden is required to certify that the review of obligations has occurred and corrective action has been taken.

2. **SUMMARY OF CHANGES.** This revision of the Program Statement includes the following changes:

! Requirements have been added for Controllers to perform quarterly reviews of all obligations over $20,000;

! Requirements have been added for CCMs to provide written verification to the Controller, prior to the end of each quarter, that all accruals have been reviewed and provide calculations or supporting documentation for any adjustments deemed necessary;

- The responsibilities of the CCM or Approving Official (AO) to verify Cardholder's purchase card statements and forward the approved statements to the OFM in a timely manner have been clarified;

- Procedures regarding the monthly accruals for construction contracts have been added;

- Procedures regarding the year-end accruals for Commercial Credit Card Purchases and Partial Month Utility Liabilities have been added;

- Requirement has been added that all credit card accruals (year-end or any other time) must use the standard YREGDOC format of "_CCA_ _ _ _";

- Procedures have been established for the year-end review of medical obligations, requiring the Health Services Administrator to provide a written document reflecting obligation verification, itemization of adjustments and documentation supporting each;

- Procedures regarding the monthly obligations for telephone, metered utilities and construction contracts have been added;

- Procedures concerning the use of multiple payment registers have been added for numbered contracts and purchase orders; and

- The requirement for the federal trading partner, federal (F) or other (O), indicator to be reviewed as part of the Annual Certification of Obligations has been added.

3. **PROGRAM OBJECTIVES.** The expected results of this program are:

a. The Statement of Federal Financial Accounting Standards will be complied with by the Bureau.

b. Reviews will be completed on open obligations quarterly and annually.

c. Bureau obligations and expenses will be properly reported on the audited financial statements.

4. **DIRECTIVES REFERENCED**

a. Directives Rescinded

P2250.01 Accounting - Recording Obligations (12/31/98)

b. Directives Referenced

P4100.03 BOP Acquisitions Manual (9/16/96)
P4500.04 Trust Fund/Warehouse/Laundry Manual (12/15/95)
T4101.03 Procurement Technical Reference Manual (9/22/99)

SFFAS No. 1	Statement of Federal Financial Accounting Standards, Accounting for Selected Assets and Liabilities
SFFAS No. 5	Statement of Federal Financial Accounting Standards, Accounting for Liabilities of the Federal Government
31 USC	Section 1308 Telephone and Metered Services

5. **STANDARDS REFERENCED.** None

6. **DEFINITIONS**

a. **Controller.** For the purposes of this PS, the title of Controller will be used to represent all of the different titles currently being used to identify the head of the local OFM.

b. **Financial Management Information System (FMIS) Obligation Module (OBL).** This is used to establish/modify obligations as undelivered orders or accounts payable. It also provides current management information reports.

The OBL uses personal computer (PC) and mainframe applications.

! The PC application is for entering and uploading obligations into FMIS.

! The mainframe application is for modifying existing obligations and for running reports.

Initial obligations are to be keyed into the PC-based application and then uploaded to the mainframe.

c. **Undelivered Orders (U/O)**. These are obligations for goods or services which have not been received by, or performed for, the Bureau.

The Controller must ensure that obligations for ordered goods are established in undelivered orders, rather than accounts payable, within two work days of receipt of the obligating document.

The items must remain in undelivered orders until they are received and accepted, as evidenced by a properly prepared Receiving Report (or other appropriate evidence).

d. **Accounts Payable (A/P)**. These are obligations for goods or services which the Bureau has received.

The Controller must ensure that obligations are liquidated from undelivered orders and established as accounts payable when the Bureau receives goods and services.

- Services are to be established as accounts payable in the month in which the services are performed.

e. **YREGDOC**. The YREGDOC is an alphanumeric indicator that stands for fiscal **Y**ear (1 digit), **REG**ister (2 characters), and **DOC**ument number (5 digits). A six digit document number may be assigned.

- A unique YREGDOC must be assigned to each obligation and is associated with the obligation from the time it is established through payment.

- The CCM ordinarily assigns the YREGDOC.

f. **Register**. The register in the YREGDOC is tied to each account class/cost center and is used to facilitate the numbering and grouping of obligation documents.

g. **Document Number**. The document number assigned as part of the YREGDOC must not begin with zero and must be numeric.

h. **Obligation Month**. The obligation month is the month in which the obligation reduces/affects funds availability.

i. **Available Month**. The available month is the month in which the obligation is available to make payments against.

j. **Recurring Obligation.** A recurring obligation is established for services being provided continually across months and is a definite amount each month.

Recurring obligations are to be entered directly from the purchase order or contract.

A recurring obligation is established for a total amount and can be assigned to months or distributed across months.

- ! The payment amount cannot exceed the monthly obligation by more than 10% or $100, whichever is less, unless the obligation is modified in OBL. An example of a recurring obligation is a monthly rental.

- ! The same amount is obligated and paid for each month.

k. **Annual Obligation**. An annual obligation is a type of recurring obligation and is established for services being provided continually, but the monthly obligation amount is indefinite and may vary from month to month.

Payments can exceed the monthly obligations, but not the annual obligation. Annual obligations are to be entered directly from the purchase order or contract and will be reviewed by the CCM prior to each month-end and adjusted as appropriate. Utilities are an example of an annual obligation.

> **Note**: The system allows monthly payments to exceed the monthly obligations as long as the total payments to date do not exceed the total annual established obligation by more than 10% or $100, whichever is less.
>
> The accruals established for future months are not automatically reduced when a monthly payment exceeds the monthly accrual.
>
> Therefore, the system will allow the total payments plus the accruals to exceed the annual contract amount.

It is important that CCMs monitor their accruals and adjust them accordingly to ensure the obligations (payments plus accruals) do not exceed the annual contract amount.

l. **Non-recurring Obligation**. A non-recurring obligation is normally a one-time purchase, recorded against a single obligation month. The payment cannot exceed the obligation by more than 10% or $100, whichever is less, unless the obligation is modified in OBL.

7. **OBLIGATION PROCESS**. The OFM will verify all procurement

documents to ensure the account class, fund, sub-object, program, and amount are proper, and verify the CCM's validation of funds availability.

- The OFM must ensure all obligation documents and evidence of receipt of goods and services are promptly date- stamped when received and recorded in the accounting system within two work days of receipt.

- Every effort must be made to ensure obligations are entered in the month they are incurred. Logs are not required to be maintained for documents entered into OBL.

Obligations are to be entered at face value rather than net of discount. An obligation description is required to be entered into OBL and must include pertinent information to identify the obligation clearly. Obligations will be:

Step One: Entered into the FMIS PC application,

When the obligations are entered in step 1, they are placed in a database on the PC.

Step Two: Prepared for upload, and

When they are prepared for upload in step 2, the data is copied from the PC database to a diskette. One previous upload exists on the PC and can be restored, if necessary.

Step Three: Uploaded into the FMIS mainframe obligation module.

- The same individual may complete all three steps.

- The individual uploading the obligations to the FMIS mainframe must have an FMIS ID with OBL access.

Preparing the obligations for upload (step 2) automatically generates the "Obligations for Upload" report.

Uploading the obligations to the FMIS mainframe (step 3) automatically sends the obligation "Sub-certification" report to the user's mailbox.

The "Sub-certification" report is to be printed. If, due to a system processing error, the "Sub-certification" report is not sent to the user’s mailbox, then this report can be regenerated.

The obligation “Sub-certification” report is to be compared to originating documents.

- The person performing these functions will initial the “Sub-certification” report and maintain it on file chronologically.

The upload to the FMIS mainframe (step 3) will be completed as soon as possible after the obligations are prepared for upload (step 2). This will help prevent the diskette from being lost or misplaced, or the upload step being forgotten or omitted. If there are certain accounting information errors in the obligation data that have been uploaded, the OBL Module will automatically go to an FMIS correction facility and the obligation “Sub-certification” report will not be generated.

- All errors must be corrected or the obligation deleted before any of the obligations are accepted and the obligation “Sub-certification” report is sent to the user’s mailbox.

8. **CANCELED YREGDOCS/OBLIGATIONS.** Cancels are to be used to void invalid funding groups in order to set up corrected funding groups.

In addition, Cancels are to be used to void entire obligations due to:

- canceled purchase orders,
- use of the wrong YREGDOC numbers,
- canceled travel,
- mistakes, etc.

If necessary, FMIS will allow users to change the status of canceled YREGDOCs.

- **Never** cancel an obligation for which payments have been certified.
- Obligations with payments must be closed by ensuring the obligation status is Final, marked by an “F”.

9. **DISKETTE CONTROL.** It is important that the diskettes used to prepare obligations for upload are properly controlled and safeguarded and remain intact until the obligations are uploaded
and the "Sub-certification" report is compared to the originating documents.

Obligations that have been uploaded into FMIS are not automatically deleted from the diskette during the upload function. If the diskette is inadvertently uploaded more than once, the obligations will be rejected because FMIS will not accept duplicate YREGDOC's.

10. **MINOR INVOICE DIFFERENCE.** A minor invoice difference is defined as an invoice/payment which exceeds the original existing obligation by not more than 10% or $100, whichever is less. When minor invoice differences exist, changes in OBL are not required; however, the payment vouchers **must** include the hard copy documents which evidence that the contracting official approved the changes.

11. **VALIDATION REQUIREMENTS.** Each open undelivered order and accounts payable obligation represents funds reserved or encumbered for paying for goods or services covered by an obligation document.

It is essential that each obligation:

- represent a valid commitment,
- be supported by detailed documentation,
- be properly classified, and
- be for the proper amount.

12. **CONTROLLER'S RESPONSIBILITY.** It is the Controller's responsibility to determine that all amounts reported as obligations are accurate and supported by proper documentation.

- Obligations must be based upon properly executed documents and amounts must be recorded in official Bureau accounts.

Care must be taken to guard against the deterioration of the open obligation records and files due to:

- accumulation of adjusted differences,

- failure to establish an accounts payable,

- failure to liquidate obligations that have been paid,

- failure to final completed obligations, and

- failure to estimate or record obligations accurately, etc.

The Controller must conduct quarterly reviews of all obligations over $20,000 ($50,000 for Relocation Services and the Central Office Business Office). The reviews must be conducted prior to the end of the quarter, so that the appropriate corrective action may be taken before the close of business for the quarter.

The quarterly reviews will be evidenced by a list of all obligations of $20,000 or more, to specifically certify their accuracy, and the list must be signed by the Controller.

- ! The list must be printed from FMIS, using the "Future Obligations" option to ensure obligations through the end of the year are included, and be dated the last working day of the quarter.

- ! The Controller will also sign a certification stating that the review and corrective action was completed prior to the close of business for the quarter.

- ! The list of obligations must be attached to the certification.

- ! The Controller will maintain the certifications on file.

A copy of the third quarter certification must be routed to the Regional Comptroller. The Regional Comptrollers will certify, by July 15th of each year, via memorandum to the Chief, Finance Branch, that such review, certification, and corrective action of open obligations was completed for institutions in their Regions, and attach copies of the institution's certifications and lists of obligations.

The Central Office Business Office, Accounting Operations Section, Relocation Services Section, and Management Specialty Training Center will send their certifications directly to the Chief, Finance Branch.

The Controller must follow the steps outlined in Section 17 of this PS for fourth quarter obligations.

13. **COST CENTER MANAGER'S RESPONSIBILITY**. The CCM is responsible for preparing accrual estimates for all annual and recurring obligations.

- ! The estimates will be based on the CCM's technical expertise and the historical payment data.

- ! The accrual estimates will be used by the OFM when entering the obligations into FMIS.

Monthly, a Consolidated Obligations Reporting System (CORS) report listing all obligations will be made available to each CCM.

The CCM will review this report for accuracy and notify the Controller in writing of any adjustments needed to the estimated accruals.

The CCM will also provide written verification to the Controller, prior to the end of each quarter, that all obligations and accruals for each appropriation (current and prior fiscal years) have been reviewed and provide calculations or supporting documentation for any adjustments necessary.

The CCM is responsible for a monthly verification of Credit Cardholder's purchase card statements, ensuring the accuracy of the charges, accounting classifications of each transaction, and indicating all corrections needed.

- ! The approved statements will be forwarded to the OFM as soon as possible, after receipt of the statement, for prompt reposting in FMIS.

The CCM will also provide the OFM the information needed to fulfill the year-end purchase card requirements described in Section 14.j. of this PS.

14. **SPECIFIC OBLIGATION REQUIREMENTS.** The following specific requirements apply to certain obligations, as set forth in SFFAS Nos. 1 and 5.

a. **Fixed Quantity Procurements**

(1) **Tangible Goods**. Initially, purchase orders shall be obligated in undelivered orders. Upon receipt of a Receiving Report (or other appropriate evidence) indicating receipt of the goods, the amounts shall be established as accounts payable and liquidated from undelivered orders.

(2) **Non-personal Services Contracts**. Contracts for non-personal services or other services which span several months or the entire fiscal year are to be obligated initially in undelivered orders. The appropriate monthly amount is to be established as an accounts payable and liquidated from undelivered orders during the month in which the services are performed.

In the OBL Module, obligations of this type are considered recurring or annual obligations for which FMIS automatically liquidates from undelivered orders and establishes as accounts payable at the beginning of each month.

All services that have billing periods that cross over two months must have an accrual established in accounts payable before the end of each quarter for the amount of services that have been provided, but will not be paid for before the end of the quarter.

b. **Requirements Contracts**. Requirements contracts allow the Bureau to order services when it requires the services. There is not a guaranteed minimum amount. Upon receiving a delivery order, which indicates that services have been requested, an obligation is established in undelivered orders. As goods or services are received, as evidenced by the appropriate documentation (a delivery ticket, receiving report, etc.), the appropriate amounts are to be liquidated from undelivered orders and established as an accounts payable. If the delivery order indicates the service will be performed in the current accounting month, it may be obligated initially in accounts payable.

Supplies, services, or medical contracts may be requirements contracts, as the Supervisory Contract Specialist determines.

c. **Indefinite Delivery, Indefinite Quantity (IDIQ)**. This type of procurement has a minimum requirement established in the contract. Initially, the minimum amount is to be established in undelivered orders.

As delivery orders are processed and the goods and services are received, as evidenced by appropriate documentation, the obligation is to be established in accounts payable and liquidated from undelivered orders.

Upon satisfying the minimum amount (the total minimum amount has been liquidated from undelivered orders), obligations are to be established in the same manner as obligations for requirements contracts.

Tangible goods and services, including medical services, may be IDIQ procurements, as determined by the Supervisory Contract Specialist.

d. **Construction Contracts**. Construction contracts are to be obligated initially in undelivered orders. The appropriate amount must be established as an accounts payable and liquidated from undelivered orders at the end of each month.

In determining the accrual amount, formal acceptance of the goods or services being provided is not the determining factor. Estimates of the work completed, based on an evaluation of actual performance and costs incurred, must be used in determining the accrual amount.

Monthly, the OFM must receive written estimates from the Facility Manager for the amount of costs to be liquidated from undelivered orders and established as accounts payable. The estimates must be received by the OFM and entered into the FMIS before the end of the month.

e. **Government Bills of Lading (GBL)**. The GBL will be established as an accounts payable in the month the goods are shipped.

f. **Travel Authorizations**. Travel authorizations are to be entered in FMIS prior to the beginning of the travel, or as soon as possible after the travel begins for unexpected/emergency travel.

- **!** Travel authorizations must not be entered in FMIS in the fiscal year before the travel begins.

g. **Travel Authorizations at Fiscal Year End**. Travel authorizations are to be obligated in the following manner at fiscal year end:

(1) **Temporary Duty (TDY) Travel Obligations**. Obligations for TDY travel will be charged to two fiscal years if the travel is performed in two fiscal years.

Entry into the FMIS Travel Module will require the use of two YREGDOC numbers, one for each fiscal year to be charged.

(a) **Common Carrier Fare**. The total fare is charged to the appropriation which is current when the travel begins.

(b) **Per Diem**. Per diem is prorated between the two fiscal years based on the number of days in travel status each year.

(c) **Rental Car**. The rental car obligation is pro-rated between the two fiscal years based on the number of days the car is used in each fiscal year.

(d) **Other Expenses**. Charge taxi, mileage, and phone calls to the appropriation which is current when the expense is incurred.

h. **Relocation Obligations**. Reimbursable expenses for an employee transferred in the interest of the Government shall be obligated against the appropriation current when the employee is notified of the relocation and the travel orders are issued.

! The obligation remains in that appropriation until the relocation voucher is settled or the obligation is no longer valid.

i. **Commercial Credit Card Purchases**. Reposting of the Cardholders' monthly statements, as approved by the CCM, will be accomplished before the close of business each month.

j. **Commercial Credit Card Accruals at Year-end.** Purchase card accruals will be established prior to the year-end closing, using the following guidelines:

! Prior to closing the fiscal year (September 30), CCMs must notify the OFM of all purchase card transactions which have not shown up on the Cardholders' monthly statements.

! These are transactions which have not been expended in FMIS.

! The CCMs will notify the OFM by submitting a written accrual document listing the vendor name and itemizing the purchases, stating the date goods or services were received or stating that they are undelivered.

! In cases where the OFM receives an accrual document indicating receipt of the goods or services, it is appropriate for the obligation to be entered in A/P. Otherwise, these accruals must be entered in U/O.

! When establishing the accruals in FMIS, the OFM must establish a separate obligation for each Federal (F) vendor. The obligations must be established using the actual vendor name and tax identification number (TIN), as well as, marking the Federal/Other indicator as “F”. Obligations that are established for non-federal vendors may be added together in one obligation using the Federal/Other indicator of “O”.

! Additionally, all credit card accruals must use a yregdoc# that follows the “_CCA_ _ _ _“ format. The first digit must be the current Fiscal Year and the last four digits shall be a local identifying number.

> **Note:** If an institution or region chooses to enter credit card accruals during the year, the accruals must be established using the "CCA" yregdoc# format described above.

! The CCM must immediately notify the OFM, in writing (e-mail), if any purchase card items accrued in U/O are received on or before September 30.

! When notification of delivery is received, the OFM must move the obligation from U/O to A/P (within two working days of receipt and prior to October 1).

! By October 1, the CCM must provide the Controller with a written document, certifying the final year-end classification status (A/P or U/O) of each purchase card transaction which remains outstanding on September 30.

- ! This document, reflecting purchase card obligation verification by the CCM, will be forwarded to the Regional Office as an attachment to the Annual Verification of Obligations certification .

- ! For transactions remaining in U/O at September 30, receipt of the goods or services shall continue to be documented, by the CCM, as evidence that the classification in U/O at year end was proper.

  This documentation (packing slips, invoices or purchase card order forms showing a signed and dated goods and services stamp) will be retained, by the CCM, for audit purposes.

k. **Medical Obligations Year-end Review.** Due to the complications in maintaining accurate medical obligations, the following steps must be completed at year-end.

- ! After the year-end cut off for new purchases and prior to September 30, the Health Services Administrator (HSA) shall review the open medical obligations to determine if amounts are valid and that classifications, as A/P or U/O, are appropriate.

  The necessary adjustments shall be itemized as decreases or increases in obligation values and/or reclassifications between A/P or U/O, and included in a written document signed by the HSA and provided to the Controller.

- ! The Controller must ensure all discrepancies noted on the itemized adjustment document are corrected and entered in FMIS prior to year-end closeout.

- ! This document, reflecting medical obligation verification by the HSA, will be forwarded, by the Controller, to the Regional Office as an attachment to the Annual Verification of Obligations certification.

l. **Telephone Charges and Metered Utilities.** All telephone charges and all utilities that are based on meter readings will be established in FMIS as annual obligations, as defined in
Section 6.j. Examples of metered utilities are electricity,

water and natural gas.

When the billing period for telephone and metered utilities crosses over two months, the obligation for that period shall be established in the month the billing period ends.

- The obligation will not be prorated or split between the two months.

  For example, if the water meter is read on the 15th of every month, the entire obligation for the period of 4/16/03 to 5/15/03 will be obligated in the month of May, not split between April and May.

m. **Unfunded Liability Accrual for Certain Utilities.** In accordance with 31 USC, Section 1308, charges for telephone and metered services such as gas, electricity, water, and steam for a time period beginning in one fiscal year and ending in another fiscal year may be charged against the appropriation or allotment current at the end of the time period covered by the service.

Prior to year-end, a partial month liability accrual must be established as a future funded expense and an unfunded liability whenever certain utility billing periods span parts of two fiscal years.

- This is accomplished by entering a Generic transaction code (TC) 2030, with the fund code of current year, for the estimated amount of the expenses incurred in the current year (through September 30).

At the beginning of the new fiscal year, the unfunded liability accrual, entered in the prior year, must be reversed. A negative TC 2030, for the same amount as the establishment transaction, with the new fiscal year fund code, must be entered in FMIS. When the payment is made, the full amount of the bill, including that applied to the prior year, will be charged to the new fiscal year appropriation.

For example, if the billing period for electricity is from 9/20/04 to 10/20/04 and the estimated charges for 9/20 to 9/30 are $9,500 you would enter the following transactions:

By 9/30/04	TC 2030	FY 04	Fund 02	$9,500
October business	TC 2030	FY 05	Fund 02	($9,500)

o. **Recording Obligations in a Timely Manner at Year-end.** As required by Section 7, obligations are to be recorded in the accounting system within two work days of receipt.

- At year-end, it is critical that all known obligations be entered and properly classified as accounts payable or undelivered orders prior to close-out.

To ensure these liabilities are recognized properly, the following procedures must be completed.

- Receiving reports must be completed promptly and forwarded immediately to the accounting office as required by the Trust Fund/Warehouse/Laundry Manual for all goods received in September.

- Receiving reports for items received in September must be entered in the accounting system prior to year-end close-out.

- The Controller and/or Trust Fund Supervisor must verify that receiving reports have been prepared for all items received prior to September 30.

- The Controller (Budget and Accounting Officer at locations without Controllers) will verify that all receiving reports have been entered into the accounting system prior to year-end close-out.

15. **MULTIPLE PAYMENT REGISTERS.** A multiple payment register is used to keep track of a series of payments or partial payments made against an individual contract or purchase order (see Attachment A for an example of the format to be used).

a. **Contracts.** A multiple payment register must be established for each numbered contract identifying each payment by date paid and total contract amount paid to date. When the final payment has been made, the multiple payment register shall be forwarded to the contracting officer for review and filing in the contract file.

b. **Purchase Orders.** A multiple payment register may be used to record partial payments for purchase orders. If used, the multiple payment register must show the total dollar amount and indicate the individual line items paid for on each payment. The multiple payment register must also show the remaining balance left open on the purchase order. When the final payment has been made, the multiple payment register must be attached to the final payment voucher.

16. **ACCRUALS FOR INDEFINITE QUANTITY PROCUREMENTS**. The Controller has the managerial duty to establish monthly obligations for items such as telephones and utilities (not all inclusive) based upon estimates the CCM provides.

It is the CCM’s responsibility to ensure the estimated obligations are accurate and based on the best data available.

The straight-line method of estimating should not be used if historical data is available. Experience is usually available from which to make accurate estimates.

Accruals for recurring and annual obligations are to be entered into OBL for the total amount of the obligation document. They shall be entered in undelivered orders and distributed across
months in the amounts the CCM determines. At the beginning of each month, the OBL will automatically transfer the monthly accrual from undelivered orders to accounts payable for all obligations established as recurring or annual.

Additionally, as stated in section 13 of this PS, the CCM must review and adjust these accruals monthly, if necessary.

- The CCM will also provide written verification to the Controller each quarter that all accruals have been reviewed and provide calculations or supporting documentation for any adjustments deemed necessary.

- The CCM may adjust accrual distribution at any time by submitting the required adjustments in writing to the Controller.

    - In particular, estimates for medical/hospital services must be closely monitored and adjusted as necessary.

    - These types of services typically are difficult to estimate initially and must be adjusted as more facts and circumstances become known (i.e., length of hospital stay is extended, more extensive surgery is required than originally anticipated).

17. **ANNUAL CERTIFICATION. During September**, **prior to each fiscal year close-out**, the Controller must review all open obligations, for all fiscal years and funds, and take necessary corrective action to ensure obligation amounts are accurate, are properly established as undelivered orders or accounts payable, and appropriately classified as federal (F)

or other (O).

- Each Warden must certify, by **October 10**, via memorandum to his or her Regional Director, that such review, validation, and corrective action of open obligations was completed prior to the fiscal year close-out.

This certification must include the following attachments:

- A listing of all open obligations of $20,000 ($50,000 for Relocation Services and the Central Office Business Office) or more signed by the Controller verifying their accuracy.

- A copy of each CCM's written documentation certifying the year-end classifications of purchase card accruals, as described in Section 14.j.

- A copy of the HSA's written documentation certifying the dollar amounts and classifications of open medical obligations, as described in Section 14.k.

The Regional Directors shall certify by **October 20**, via memorandum to the Assistant Director for Administration, that such review, validation, and corrective action of open obligations was completed for their Regions prior to the fiscal year close-out.

- It is not necessary to forward the Wardens' certifications and attachments with this memorandum.

/s/
Harley G. Lappin
Director

Multiple Payment Register

Vendor Name:_______________________________ **Contract#:**_______________________

YREGDOC#:____________ **Discount Terms:**__________ **TIN:**________________

Date mm/dd/yy	Voucher Number	Invoice or Mod. Number	Line Items of Goods or Months of Service Paid	Total Paid	Open Balance